



## Filing Receipt

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**PROJECT NO. 52373**

**REVIEW OF WHOLESALE  
ELECTRIC MARKET DESIGN**

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**PUBLIC UTILITY COMMISSION  
OF TEXAS**

**COMMENTS OF  
OCTOPUS ENERGY**

COMES NOW Evolve Retail Energy LLC d/b/a Octopus Energy (Octopus Energy), REP License #10262, and files these Comments regarding wholesale market design in response to the comments filed by other parties in response to the Commission's Questions for Comment filed in this proceeding on August 2, 2021.

**Executive Summary**

Octopus Energy supports the comments filed by the Advanced Energy Management Association (AEMA) in this proceeding. As the AEMA discussed, there is a significant opportunity for the Commission and ERCOT to use demand response and distributed energy resources in the ERCOT market structure to ensure reliable electric service for all Texans. As the Commission considers changes to ensure increased reliability of the ERCOT grid, we believe that residential end users can provide ample demand response to accommodate a changing and evolving energy supply stack. This will be done by the best-in-class retailers who prioritize modern technology and put customers first, as this will lead to lower prices for all customers.

**Comments**

Octopus Energy started as a Retail Electric Provider (REP) in ERCOT in 2019 as Evolve Energy which was renamed as Evolve Retail Energy. In 2020, Octopus Energy, based in the UK, purchased Evolve Retail Energy, and the Commission approved the company's name change just after Winter Storm Uri on February 22, 2021. Octopus Energy's US offices are located in Houston, Texas. Globally, Octopus Energy provides service in the UK, Germany, Japan, Australia, and

Spain. While it has only been around 5 years, Octopus Energy serves over 2 million customers globally and has been significantly expanding its operations in ERCOT. Octopus Energy has projects around the world to increase grid flexibility, leading to lower overall costs and stronger energy markets.

Following Winter Storm Uri, Octopus Energy has continued to expand its operations in ERCOT. After the bankruptcy of Brilliant Energy, we onboarded thousands of Brilliant Energy customers, honored all their prior contracts, and increased their purchase of renewable energy to 100% without any additional costs to the customers. We also launched our SuperPower Savings Program where we pay our customers to manage their usage during times of grid stress.

**4. Is available residential demand response adequately captured by existing retail electric provider (REP) programs? Do opportunities exist for enhanced residential load response?**

In general, few retail electric providers effectively make opportunities available for their residential customers to participate in demand response. Octopus Energy is one of the few REPs that have made demand response a central tenant in the services we offer to our customers. Octopus Energy has significant software engineering that enables us to control new and evolving technology, including smart thermostats, appliances, electric vehicles, rooftop solar, and even energy storage. We use the combination of that software and technology to help our customers benefit from low energy prices most of the time and reduce their consumption during higher-priced periods and reduce stress on the grid. We also allow customers who do not have a smart thermostat to participate by texting us a picture of their manually adjusted thermostat. The capabilities of Smart Meter Texas allow us to intelligently verify actions by customers with ease, regardless of the technology owned by the customer. As Octopus Energy expands its presence in ERCOT, we increasingly will enable our customers to be partners with the Commission and ERCOT to ensure

reliable operations in ERCOT rather than just being “load” that must be served as if it has no price elasticity. In fact, residential customers may have more demand flexibility than large industrials who may require intense coordination and pre-planning among departments to execute a single demand response event.

In its comments, AEMA noted the difference between reliability-based demand response and economic-based demand response. While the former forms of demand response are directly controlled by ERCOT or transmission and distribution utilities (TDUs) (such as Load Resources, Emergency Response Service, and TDU load management programs), the later depends on price signals encouraging customers to act. Octopus Energy has actively encouraged its customers to engage in economic demand response. Through our wholesale indexed product called OctoFlex, Octopus Energy has enabled our customers to save 20-40% off the average price of electricity by enabling them to respond to higher prices by using technological solutions similar to those that large industrial customers can obtain from the competitive market. Getting price signals to customers through exposure to wholesale prices or even by paying customers to reduce their usage at key times both encourage economic demand response that directly benefits the participating customers and also benefits the entire grid by reducing demand at critical times. These price signals encourage customers to reduce usage when grid stress is high and give customers a large savings when they buy during the cheapest times. This contrasts with traditional demand response because it allows for very cheap prices to be passed directly on to customers during the “off-peak” hours.

Unfortunately, as a result of the enactment of Utilities Code §39.110 during the recent legislative session, the opportunity to continue to offer wholesale indexed products to residential and small commercial customers will be prohibited effective September 1, 2021. However,

implemented in a customer-friendly manner with appropriate safeguards, the index plans could have continued to be instrumental to growing economic demand response within these customer classes. Octopus Energy encourages the Commission to be open to alternate products that provide appropriate signals to encourage customers to be more flexible in their energy consumption, so long as these products have consumer protections included.

### **Conclusion**

Octopus Energy appreciates the opportunity to provide these Comments and looks forward to working with the Commission and other interested parties on these issues.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Michael J. Jewell', with a long horizontal line extending to the right.

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